

Kentucky Power Company

REQUEST

Please refer to Volume II, Section III, page 37 of 373. Kentucky Power is proposing to use a declining block rate structure for the Small General Service class.

- a. Please provide all calculations, assumptions, and workpapers used to calculate this two-tier rate structure.
- b. Please provide calculations for the cost of service study that justify the declining block rate structure proposed.

RESPONSE

- a. & b. Please see the Company's response to Commission Staff -1st Set, Request No. 8-c, pages 11 through 13.

WITNESS David M. Roush

Kentucky Power Company

REQUEST

Please refer to Volume II, Section III, page 38 of 373. Kentucky Power is proposing time-of-day rates for the Small General Service class.

- a. Please provide all calculations, assumptions, and workpapers used to calculate this time-of-day rate structure.
- b. Please provide calculations for the cost of service study that justify the time-of-day rates at the levels proposed.

RESPONSE

- a. & b. Please see the Company's response to Commission Staff-1st Set, Request No. 8-c, pages 11 through 13.

WITNESS David M. Roush

Kentucky Power Company

REQUEST

Please provide Volume II, Section III, pages 33 through 57 in an electronic format.

RESPONSE

Please see the enclosed CD for the requested Excel spreadsheet.

WITNESS David M. Roush

Kentucky Power Company

REQUEST

Please refer to Volume II, Section V, Workpaper S-4, page 30. This exhibit contains test year adjustment to Kentucky Power's AEP Pool costs.

- a. Please provide an explanation of charges associated with putting power into and taking power out of the AEP pool.
 - 1) Are there energy charges, demand charges and periodic fixed charges?
 - 2) Is billing done based on hourly, daily or monthly demands?
 - 3) Are costs based on actual costs at the time or a set rate schedule?
 - 4) If there is a set rate schedule, please provide any schedules or formulas that are used.
 - 5) Are there separate transmission charges? If so, please provide those charges.
- b. Please provide the actual invoices Kentucky Power received during the test year from AEP for both power received from and power put into the pool.
- c. Please provide a calculation that contains all the power bought from the AEP pool during the test year and all power sold into the pool. If there are also associated transmissions costs, please provide them too.
- d. Are all of the adjustments on page 30 associated only with demand charges? If not, please break these adjustments down into demand, energy and other fixed charges.

RESPONSE

Please note that Section V, Workpaper S-4, page 30, provides the projected adjustments to the AEP Capacity Settlements; it is exclusively intra-AEP, and exclusively capacity-based, thus, the questions included in this request are irrelevant to that workpaper. Nevertheless, the Company is providing the requested information.

RESPONSE, continued

a. Every purchase, i.e., "putting power" into the AEP pool, becomes the responsibility of the five members of the AEP-East Interconnection Agreement, including the Company, on a member-load-ratio (MLR) basis, with the exception of purchases from OVEC which do not affect the Company, inasmuch as the Company is not an OVEC sponsor.

For every sale, i.e., "taking power" out of the AEP pool, the five members are responsible, i.e., charged, for their MLR share of the cost, are credited for the actual generation resources they provided toward that sale, and participate in the net margin emanating from that sale on an MLR basis.

- 1) There are always energy charges; very few transactions have demand charges, usually on a monthly basis; and there are no explicit "periodic fixed charges".
- 2) Costs are captured hourly; however, billing with counterparties is performed monthly.
- 3) Costs for sales are based on the after-the-fact reconstruction of the AEP System's dispatch, with the most expensive resources assigned to off-system sales and the least expensive to the AEP System's native customers. Costs for purchases are as negotiated with counterparties or market-based from PJM's Operating Agreement.
- 4) Please see (3) above.
- 5) Since October 1, 2004, the AEP-East System is a member of the PJM RTO, thus any transmission charges are in accordance with the PJM Open-Access-Transmission-Tariff (OATT), which can be viewed on PJM's Website (www.pjm.com). In general, transmission charges vary depending on the destination of the sale and/or the origin of the purchase.

b. The Company does not receive any invoices. AEP Service Corporation, as agent for the five members of the AEP-East pool, handles all reconciliations between the pool members for all intra- and inter-AEP transactions. The Company provides the KPSC, on a monthly basis, details of its transactions with the AEP pool, both for purchases and sales. They are attached to this response for convenient reference as pages 4 through 27 (two pages per month for the test year.)

RESPONSE, continued

c. For the test year, the Company bought 3,119,747 MWh and was charged \$81,876,025 from the AEP pool, and sold 2,495,082 MWh and was credited \$42,814,233 by the AEP pool. These figures include the Company's capacity payments, primary energy to/from other pool members, and off-system physical sales - - actual contribution/MLR responsibility (please see (a) above).

There are no associated transmission costs in the above figures.

d. Yes.

WITNESS Errol K. Wagner

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	30,557	678,891.19	0.00	169,719.25	848,610.44
DY2NF	17,076	281,140.86	0.00	70,285.53	351,426.39
HR2NF	153	10,951.19	100,810.07	5,292.87	117,054.13
ARS-EMERG	8	683.14	0.00	170.79	853.93
DY-F	12,504	467,403.25	0.00	116,853.13	584,256.38
DY-NF	1,334	45,547.96	0.00	11,387.17	56,935.13
HR-NF	11,654	440,282.30	0.00	110,543.47	550,825.77
GENLOS	84	641.52	0.00	160.38	801.90
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	73,370 ⁽¹⁾	1,925,541.41	100,810.07	484,412.59	2,510,764.07
AEP POOL PRIMARY PURCHASES:	30,099	340,665.00	0.00	48,760.00	389,425.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	1,239,551	0.00	0.00	61,705,704.00	61,705,704.00
TOTALS:	1,343,020	2,266,206.41	100,810.07	62,238,876.59	64,605,893.07

	<u>MWH</u>	<u>Total Energy Charges</u>
⁽¹⁾ ALLOCATED TO SYSTEM SALES:	70,932	2,354,447.69
ALLOCATED TO INTERNAL CUSTOMERS:	2,438	55,506.31
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	73,370	2,409,954.00

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS					TOTAL CHARGES (\$)
		SUPPLIED BY KPCO SOURCES		DEMAND (\$)	OTHER CHARGES (\$)		
		MWH	FUEL CHARGE (\$)				
LT-CAP	9,643	11,897	145,643.22	136,987.15	4,615.30	287,245.67	
RESCAP	0	0	0.00	13,188.75	0.00	13,188.75	
DY-2F	179,264	154,457	2,130,106.08	0.00	3,745,474.21	5,875,580.29	
DY2NF	11,512	7,813	216,439.57	0.00	100,647.97	317,087.54	
ARS-EMERG	208	201	8,668.94	0.00	12,278.31	20,947.25	
CMP-UPR	0	0	0.00	41,324.75	0.00	41,324.75	
YR-F	4,578	5,179	63,378.71	46,744.31	33,323.42	143,446.44	
MO-F	27,410	32,101	394,041.18	375,721.46	341,565.09	1,111,327.73	
DY-F	32,722	23,128	506,341.78	0.00	690,877.43	1,197,219.21	
DY-NF	28,974	19,960	420,608.30	47,509.40	408,158.04	876,275.74	
HR-NF	24,042	21,681	649,858.90	0.00	319,714.42	969,573.32	
GENLOS	267	812	21,760.03	0.00	(21,760.03)	0.00	
	318,620	277,229	4,556,846.71	661,475.82	5,634,894.16	10,853,216.69	
AEP POOL SALES (PRIMARY/ECONOMY)	0	117,359	1,738,085.00	0.00	99,286.00	1,837,371.00	
INTERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	464	21,326.00	0.00	5,406.00	26,732.00	
BOOKOUTS/OPTIONS:	1,245,304	0	0.00	0.00	63,217,589.00	63,217,589.00	
TOTALS:	1,563,924	395,052	6,316,257.71	661,475.82	68,957,175.16	75,934,908.69	
KPCo's other costs incurred, (other than fuel from Account 151):						1,455,702.46	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						1,470,315.49	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						2,708,876.21	
Total (Other Charges):						5,634,894.16	

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	32,196	712,639.69	0.00	178,153.64	890,793.33
DY2NF	16,954	277,982.18	0.00	69,492.88	347,475.06
HR2NF	236	14,997.19	85,873.32	5,938.16	106,808.67
DY-F	12,964	427,659.58	0.00	106,915.50	534,575.08
DY-NF	7,602	158,699.60	0.00	39,675.18	198,374.78
HR-NF	<u>7,926</u>	<u>226,823.10</u>	<u>0.00</u>	<u>56,705.67</u>	<u>283,528.77</u>
	77,878 ⁽¹⁾	1,818,801.34	85,873.32	456,881.03	2,361,555.69
AEP POOL PRIMARY PURCHASES:	49,611	539,623.00	0.00	73,701.00	613,324.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	1,380,566	0.00	0.00	68,719,895.00	68,719,895.00
TOTALS:	1,508,055	2,358,424.34	85,873.32	69,250,477.03	71,694,774.69

	<u>MWH</u>	<u>Total Energy Charges</u>
ALLOCATED TO SYSTEM SALES:	73,735	2,192,066.65
ALLOCATED TO INTERNAL CUSTOMERS:	4,143	83,615.72
	<u>77,878</u>	<u>2,275,682.37</u>

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE NO PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS					TOTAL CHARGES (\$)
		SUPPLIED BY KPCO SOURCES		DEMAND (\$)	OTHER CHARGES (\$)		
		MWH	FUEL CHARGE (\$)				
LT-CAP	9,852	10,747	136,971.44	136,987.15	17,097.40	291,055.99	
RESCAP	0	0	0.00	13,188.75	0.00	13,188.75	
DY-2F	136,578	151,066	2,162,478.54	0.00	2,124,691.92	4,287,170.46	
DY2NF	12,464	9,371	199,256.25	0.00	152,174.98	351,431.23	
ARS-EMERG	290	280	10,936.98	0.00	17,979.78	28,916.76	
CMP-UPR	0	0	0.00	41,324.75	0.00	41,324.75	
YR-F	4,566	5,022	64,159.50	47,953.17	34,889.67	147,002.34	
MO-F	27,241	31,150	401,789.93	375,739.58	307,511.96	1,085,041.47	
DY-F	30,545	29,362	490,118.00	0.00	466,586.82	956,704.82	
HR-F	7	11	157.81	0.00	193.89	351.70	
DY-NF	29,848	27,441	491,042.24	41,383.88	396,041.51	928,467.63	
HR-NF	37,994	33,169	914,343.33	0.00	505,839.86	1,420,183.19	
GENLOS	<u>232</u>	<u>658</u>	<u>14,476.03</u>	<u>0.00</u>	<u>(14,476.03)</u>	<u>0.00</u>	
	289,617	298,277	4,885,730.05	656,577.28	4,008,531.76	9,550,839.09	
AEP POOL SALES (PRIMARY/ECONOMY)	0	6,100	80,238.00	0.00	6,441.00	86,679.00	
INTERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	522	27,569.00	0.00	6,893.00	34,462.00	
BOOKOUTS/OPTIONS:	1,388,941	0	0.00	0.00	70,461,656.00	70,461,656.00	
TOTALS:	1,678,558	304,899	4,993,537.05	656,577.28	74,483,521.76	80,133,636.09	
KPCo's other costs incurred, (other than fuel from Account 151):						1,637,826.75	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						376,483.28	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,994,221.73	
Total (Other Charges):						<u>4,008,531.76</u>	

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	32,225	630,867.20	0.00	157,716.17	788,583.37
DY2NF	16,684	279,323.04	0.00	69,833.81	349,156.85
HR2NF	310	18,490.07	87,924.32	6,661.59	113,075.98
ARS-EMERG	8	820.00	0.00	204.99	1,024.99
DY-F	8,194	249,425.32	0.00	62,354.31	311,779.63
DY-NF	516	18,088.52	0.00	4,522.11	22,610.63
HR-NF	<u>10,141</u>	<u>329,415.46</u>	<u>0.00</u>	<u>82,354.94</u>	<u>411,770.40</u>
	68,078 ⁽¹⁾	1,526,429.61	87,924.32	383,647.92	1,998,001.85
AEP POOL PRIMARY PURCHASES:	60,879	628,671.00	0.00	96,688.00	725,359.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	971,682	0.00	0.00	38,406,400.00	38,406,400.00
TOTALS:	1,100,639	2,155,100.61	87,924.32	38,886,735.92	41,129,760.85

⁽¹⁾ ALLOCATED TO SYSTEM SALES:
ALLOCATED TO INTERNAL CUSTOMERS:

<u>MWH</u>	<u>Total Energy Charges</u>
66,602	1,888,067.57
1,476	22,009.96
<u>68,078</u>	<u>1,910,077.53</u>

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

BILLING COMPONENTS

TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	SUPPLIED BY KPCO SOURCES		DEMAND (\$)	OTHER CHARGES (\$)	TOTAL CHARGES (\$)
		MWH	FUEL CHARGE (\$)			
LT-CAP	10,578	12,128	165,495.52	140,258.95	(5,880.76)	299,873.71
RESCAP	0	0	0.00	13,503.75	0.00	13,503.75
DY-2F	119,711	123,409	1,822,287.56	0.00	1,586,348.50	3,408,636.06
DY2NF	11,435	7,011	163,095.24	0.00	160,475.75	323,570.99
ARS-EMERG	108	93	3,761.92	0.00	7,383.66	11,145.58
CMP-UPR	0	0	0.00	42,311.75	0.00	42,311.75
YR-F	4,347	5,255	72,641.12	41,809.34	22,957.87	137,408.33
MO-F	26,479	29,793	410,715.17	298,588.34	282,103.71	991,407.22
DY-F	57,526	58,781	1,018,921.68	0.00	701,276.98	1,720,198.66
DY-NF	27,362	18,488	387,605.50	54,695.58	446,760.80	889,061.88
HR-NF	28,218	19,826	527,348.94	0.00	512,596.09	1,039,945.03
GENLOS	113	431	10,390.36	0.00	(10,390.36)	0.00
U-ENERGY	<u>0</u>	<u>39</u>	<u>486.58</u>	<u>0.00</u>	<u>(486.58)</u>	<u>0.00</u>
	285,877	275,254	4,582,749.59	591,167.71	3,703,145.66	8,877,062.96
AEP POOL SALES (PRIMARY/ECONOMY)	0	42,949	690,146.00	0.00	40,630.00	730,776.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	994,491	0	0.00	0.00	39,545,055.00	39,545,055.00
TOTALS:	1,280,368	318,203	5,272,895.59	591,167.71	43,288,830.66	49,152,893.96
KPCo's other costs incurred, (other than fuel from Account 151):						1,385,384.43
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						640,827.40
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,676,933.83
Total (Other Charges):						<u>3,703,145.66</u>

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	16,104	278,195.16	0.00	69,551.05	347,746.21
DY2NF	1,514	23,864.35	0.00	5,965.95	29,830.30
HR2NF	0	0.00	87,985.36	5,969.17	93,954.53
ARS-EMERG	2	230.20	0.00	57.58	287.78
EXP-CONG	0	0.00	0.00	47.49	47.49
IMP-CONG	0	0.00	0.00	255,176.16	255,176.16
SPOT-ENG	68,505	2,012,349.89	0.00	503,086.63	2,515,436.52
DY-F	1,934	57,930.66	0.00	14,482.40	72,413.06
DY-NF	168	2,266.56	0.00	566.64	2,833.20
HR-NF	<u>1,746</u>	<u>50,949.94</u>	<u>0.00</u>	<u>12,737.52</u>	<u>63,687.46</u>
	89,973 ⁽¹⁾	2,425,786.76	87,985.36	867,640.59	3,381,412.71
AEP POOL PRIMARY PURCHASES:	65,549	770,267.00	0.00	144,578.00	914,845.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	1,103,291	0.00	0.00	40,901,001.00	40,901,001.00
TOTALS:	1,258,813	3,196,053.76	87,985.36	41,913,219.59	45,197,258.71

	<u>MWH</u>	<u>Total Energy Charges</u>
⁽¹⁾ ALLOCATED TO SYSTEM SALES:	86,279	2,994,923.01
ALLOCATED TO INTERNAL CUSTOMERS:	3,694	298,504.34
	<u>89,973</u>	<u>3,293,427.35</u>
LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:	0	207,810.98
NET INCLUDABLE ENERGY CHARGES:	<u>89,973</u>	<u>3,085,616.37</u>

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

BILLING COMPONENTS

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	SUPPLIED BY KPCO SOURCES			OTHER CHARGES (\$)	TOTAL CHARGES (\$)
		MWH	FUEL CHARGE (\$)	DEMAND (\$)		
LT-CAP	11,160	7,213	109,076.19	140,356.33	59,755.15	309,187.67
RESCAP	451	385	5,685.25	0.00	11,876.92	17,562.17
DY-2F	55,159	58,469	1,013,213.94	0.00	807,567.05	1,820,780.99
DY2NF	11,376	7,242	166,072.38	0.00	155,353.55	321,425.93
ARS-EMERG	147	110	3,176.09	0.00	11,799.89	14,975.98
CMP-UPR	0	0	0.00	42,341.13	0.00	42,341.13
SPOT-ENG	83,222	60,230	1,653,314.27	0.00	1,149,392.85	2,802,707.12
YR-F	1,901	1,183	18,447.48	0.00	38,227.75	56,675.23
MO-F	25,602	19,250	302,411.32	294,881.41	337,580.49	934,873.22
DY-F	6,650	9,527	174,976.85	0.00	81,783.27	256,760.12
DY-NF	11,144	8,609	178,036.04	0.00	236,956.20	414,992.24
HR-NF	4,778	3,293	88,735.91	0.00	85,883.53	174,619.44
GENLOS	0	259	5,184.53	0.00	(5,184.53)	0.00
	211,590	175,770	3,718,330.25	477,578.87	2,970,992.12	7,166,901.24
AEP POOL SALES (PRIMARY/ECONOMY)	0	69,256	1,078,224.00	0.00	107,026.00	1,185,250.00
.TERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	1,152,262	0	0.00	0.00	41,881,371.00	41,881,371.00
TOTALS:	1,363,852	245,026	4,796,554.25	477,578.87	44,959,389.12	50,233,522.24
KPCo's other costs incurred, (other than fuel from Account 151):						1,027,376.81
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						1,075,789.40
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						867,825.91
Total (Other Charges):						<u>2,970,992.12</u>

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	6,224	142,298.80	0.00	35,574.64	177,873.44
DY2NF	336	5,099.60	0.00	1,275.12	6,374.72
HR2NF	245	18,480.50	90,818.87	4,931.38	114,230.75
ARS-EMERG	19	1,682.13	0.00	420.51	2,102.64
EXP-CONG	0	0.00	0.00	50,802.23	50,802.23
IMP-CONG	0	0.00	0.00	259,005.77	259,005.77
SPOT-ENG	79,003	2,609,660.65	0.00	652,417.80	3,262,078.45
DY-F	3,332	109,022.76	0.00	27,255.88	136,278.64
DY-NF	5,251	180,514.89	0.00	45,129.00	225,643.89
HR-NF	<u>2,292</u>	<u>74,329.82</u>	<u>0.00</u>	<u>18,582.81</u>	<u>92,912.63</u>
	96,702 ⁽¹⁾	3,141,089.15	90,818.87	1,095,395.14	4,327,303.16
AEP POOL PRIMARY PURCHASES:	143,448	1,633,330.00	0.00	244,275.00	1,877,605.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	1,150,390	0.00	0.00	44,191,344.00	44,191,344.00
TOTALS:	1,390,540	4,774,419.15	90,818.87	45,531,014.14	50,396,252.16

	<u>MWH</u>	<u>Total Energy Charges</u>
⁽¹⁾ ALLOCATED TO SYSTEM SALES:	95,502	3,995,735.17
ALLOCATED TO INTERNAL CUSTOMERS:	<u>1,200</u>	<u>240,749.12</u>
	96,702	4,236,484.29
LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:	<u>0</u>	<u>211,558.93</u>
NET INCLUDABLE ENERGY CHARGES:	96,702	4,024,925.36

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE NO PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

BILLING COMPONENTS

TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	SUPPLIED BY KPCO SOURCES					TOTAL CHARGES (\$)
		MWH	FUEL CHARGE (\$)	DEMAND (\$)	OTHER CHARGES (\$)		
LT-CAP	10,800	6,605	88,503.00	140,356.33	74,882.17	303,741.50	
DY-2F	101,250	80,885	1,480,323.37	0.00	2,071,054.53	3,551,377.90	
DY2NF	11,570	8,003	225,902.80	0.00	97,497.37	323,400.17	
ARS-EMERG	139	118	4,874.51	0.00	9,074.61	13,949.12	
CMP-UPR	0	0	0.00	42,341.13	0.00	42,341.13	
SPOT-ENG	98,550	81,883	2,199,118.98	0.00	735,842.88	2,934,961.86	
YR-F	1,901	856	11,366.74	0.00	45,343.01	56,709.75	
MO-F	24,895	12,019	166,436.94	315,463.76	454,068.15	935,968.85	
DY-F	16,790	11,840	431,108.43	0.00	282,951.11	714,059.54	
DY-NF	8,856	6,206	175,001.28	0.00	155,491.44	330,492.72	
HR-NF	5,264	4,189	119,127.23	0.00	76,522.16	195,649.39	
GENLOS	6	455	14,007.64	0.00	(14,007.64)	0.00	
	280,021	213,059	4,915,770.92	498,161.22	3,988,719.79	9,402,651.93	
AEP POOL SALES (PRIMARY/ECONOMY)	0	42,597	674,525.00	0.00	62,278.00	736,803.00	
INTERRUPTIBLE BUY/THROUGH (P. AFF. CO./KY EL. STEEL)	0	100	6,893.00	0.00	1,754.00	8,647.00	
BOOKOUTS/OPTIONS:	1,193,224	0	0.00	0.00	44,862,671.00	44,862,671.00	
TOTALS:	1,473,245	255,756	5,597,188.92	498,161.22	48,915,422.79	55,010,772.93	
KPCo's other costs incurred, (other than fuel from Account 151):						1,475,353.00	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						1,419,832.84	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,093,533.95	
Total (Other Charges):						<u>3,988,719.79</u>	

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	21,798	551,162.32	0.00	137,793.68	688,956.00
DY2NF	2,980	57,503.09	0.00	14,375.65	71,878.74
HR2NF	306	23,226.57	88,087.41	9,404.57	120,718.55
ARS-EMERG	31	2,834.67	0.00	708.68	3,543.35
EXP-CONG	0	0.00	0.00	49,581.28	49,581.28
IMP-CONG	0	0.00	0.00	873,436.42	873,436.42
SPOT-ENG	57,609	1,414,424.44	0.00	353,605.74	1,768,030.18
DY-F	8,419	286,583.83	0.00	71,645.33	358,229.16
DY-NF	5,987	146,826.26	0.00	36,706.52	183,532.78
HR-NF	<u>2,297</u>	<u>74,442.45</u>	<u>0.00</u>	<u>18,610.86</u>	<u>93,053.31</u>
	99,427 ⁽¹⁾	2,557,003.63	88,087.41	1,565,868.73	4,210,959.77
AEP POOL PRIMARY PURCHASES:	204,353	2,240,080.00	0.00	331,391.00	2,571,471.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	1,259,820	0.00	0.00	49,738,754.00	49,738,754.00
TOTALS:	1,563,600	4,797,083.63	88,087.41	51,636,013.73	56,521,184.77

	<u>MWH</u>	<u>Total Energy Charges</u>
⁽¹⁾ ALLOCATED TO SYSTEM SALES:	96,222	3,270,029.03
ALLOCATED TO INTERNAL CUSTOMERS:	3,205	852,843.33
	<u>99,427</u>	<u>4,122,872.36</u>
LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:	0	760,680.69
NET INCLUDABLE ENERGY CHARGES:	<u>99,427</u>	<u>3,362,191.67</u>

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

BILLING COMPONENTS

TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	SUPPLIED BY KPCO SOURCES			OTHER CHARGES (\$)	TOTAL CHARGES (\$)
		MWH	FUEL CHARGE (\$)	DEMAND (\$)		
LT-CAP	11,160	15,471	214,857.24	140,356.33	(46,025.90)	309,187.67
DY-2F	56,523	69,503	1,020,272.25	0.00	861,676.26	1,881,948.51
DY2NF	12,121	13,298	214,182.07	0.00	124,649.33	338,831.40
ARS-EMERG	226	189	6,724.97	0.00	15,601.46	22,326.43
CMP-UPR	0	0	0.00	42,341.13	0.00	42,341.13
SPOT-ENG	159,935	142,611	3,062,639.88	0.00	2,099,255.40	5,161,895.28
YR-F	2,010	1,748	24,384.08	0.00	35,748.23	60,132.31
MO-F	25,957	32,864	462,212.68	327,295.12	208,547.06	998,054.86
DY-F	5,870	7,020	123,454.36	0.00	85,741.72	209,196.08
DY-NF	10,852	13,159	202,416.97	0.00	197,211.26	399,628.23
HR-NF	6,945	7,341	138,954.32	0.00	116,246.70	255,201.02
GENLOS	<u>0</u>	<u>445</u>	<u>7,264.22</u>	<u>0.00</u>	<u>(7,264.22)</u>	<u>0.00</u>
	291,599	303,649	5,477,363.04	509,992.58	3,691,387.30	9,678,742.92
AEP POOL SALES (PRIMARY/ECONOMY)	0	466	7,754.00	0.00	805.00	8,559.00
INTERRUPTIBLE BUY/THROUGH (KPCO AFF. CO./KY EL. STEEL)	0	425	26,750.00	0.00	6,932.00	33,682.00
BOOKOUTS/OPTIONS:	1,306,501	0	0.00	0.00	50,492,179.00	50,492,179.00
TOTALS:	1,598,100	304,540	5,511,867.04	509,992.58	54,191,303.30	60,213,162.92
KPCo's other costs incurred, (other than fuel from Account 151):						2,076,266.49
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						54,132.01
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,560,988.80
Total (Other Charges):						<u>3,691,387.30</u>

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	17,902	599,653.60	0.00	149,912.42	749,566.02
HR2NF	1,830	121,435.47	107,789.49	6,446.88	235,671.84
ARS-EMERG	30	2,283.84	0.00	570.98	2,854.82
EXP-CONG	0	0.00	0.00	18,012.85	18,012.85
IMP-CONG	0	0.00	0.00	1,020,080.35	1,020,080.35
SPOT-ENG	60,578	2,206,536.67	0.00	551,633.21	2,758,169.88
DY-F	9,779	361,351.36	0.00	90,339.54	451,690.90
DY-NF	10,947	427,248.87	0.00	106,812.20	534,061.07
HR-NF	<u>3,557</u>	<u>142,527.37</u>	<u>0.00</u>	<u>35,632.48</u>	<u>178,159.85</u>
	104,623 ⁽¹⁾	3,861,037.18	107,789.49	1,979,440.91	5,948,267.58
AEP POOL PRIMARY PURCHASES:	189,161	2,125,938.00	0.00	263,498.00	2,389,436.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	841,808	0.00	0.00	36,670,719.00	36,670,719.00
TOTALS:	1,135,592	5,986,975.18	107,789.49	38,913,657.91	45,008,422.58

⁽¹⁾ ALLOCATED TO SYSTEM SALES:
ALLOCATED TO INTERNAL CUSTOMERS:

LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:
NET INCLUDABLE ENERGY CHARGES:

<u>MWH</u>	<u>Total Energy Charges</u>
101,503	4,896,361.86
3,120	944,116.23
<u>104,623</u>	<u>5,840,478.09</u>
0	850,334.83
<u>104,623</u>	<u>4,990,143.26</u>

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS					TOTAL CHARGES (\$)
		SUPPLIED BY KPCO SOURCES		DEMAND (\$)	OTHER CHARGES (\$)		
		MWH	FUEL CHARGE (\$)				
LT-CAP	11,160	8,190	128,996.96	146,783.08	52,914.02	328,694.06	
DY-2F	88,751	92,370	1,957,792.81	0.00	1,756,792.30	3,714,585.11	
DY2NF	6,086	5,228	132,096.86	0.00	49,075.42	181,172.28	
ARS-EMERG	234	228	12,012.15	0.00	12,194.64	24,206.79	
CMP-UPR	0	0	0.00	44,279.88	0.00	44,279.88	
SPOT-ENG	114,582	103,853	2,966,789.74	0.00	1,409,446.14	4,376,235.88	
YR-F	2,168	1,153	18,951.80	0.00	46,039.39	64,991.19	
MO-F	32,529	27,983	460,752.82	353,547.26	433,149.39	1,247,449.47	
DY-F	12,843	13,020	344,218.48	0.00	250,886.32	595,104.80	
DY-NF	11,053	8,922	200,949.28	0.00	254,272.64	455,221.92	
HR-NF	8,686	8,993	237,780.66	0.00	143,996.51	381,777.17	
GENLOS	24	384	11,855.06	0.00	(11,855.06)	0.00	
	288,116	270,324	6,472,196.62	544,610.22	4,396,911.71	11,413,718.55	
AEP POOL SALES (PRIMARY/ECONOMY)	0	6,031	103,213.00	0.00	6,471.00	109,684.00	
INTERRUPTIBLE BUY/THROUGH (EP AFF. CO./KY EL. STEEL)	0	345	25,260.00	0.00	5,657.00	30,917.00	
BOOKOUTS/OPTIONS:	839,770	0	0.00	0.00	37,721,516.00	37,721,516.00	
TOTALS:	1,127,886	276,700	6,600,669.62	544,610.22	42,130,555.71	49,275,835.55	
KPCo's other costs incurred, (other than fuel from Account 151):						2,152,937.00	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						627,996.59	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,615,978.12	
Total (Other Charges):						4,396,911.71	

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	21,378	722,213.57	0.00	180,553.23	902,766.80
HR-2NF	1,309	109,562.87	95,799.80	5,604.68	210,967.35
ARS-EMERG	4	351.14	0.00	87.78	438.92
EXP-CONG	0	0.00	0.00	5,016.21	5,016.21
IMP-CONG	0	0.00	0.00	412,769.72	412,769.72
SPOT-ENG	61,054	1,956,520.25	0.00	489,129.96	2,445,650.21
DY-F	8,630	296,126.23	0.00	74,031.16	370,157.39
DY-NF	7,440	257,608.59	0.00	64,401.83	322,010.42
HR-NF	<u>2,128</u>	<u>70,740.92</u>	<u>0.00</u>	<u>17,752.40</u>	<u>88,493.32</u>
	101,943 ⁽¹⁾	3,413,123.57	95,799.80	1,249,346.97	4,758,270.34
AEP POOL PRIMARY PURCHASES:	21,028	232,500.00	0.00	37,561.00	270,061.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	976,983	0.00	0.00	43,861,881.00	43,861,881.00
TOTALS:	1,099,954	3,645,623.57	95,799.80	45,148,788.97	48,890,212.34

⁽¹⁾ ALLOCATED TO SYSTEM SALES:
ALLOCATED TO INTERNAL CUSTOMERS:

LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:
NET INCLUDABLE ENERGY CHARGES:

<u>MWH</u>	<u>Total Energy Charges</u>
99,639	4,235,557.60
2,304	426,912.94
<u>101,943</u>	<u>4,662,470.54</u>
0	351,723.44
<u>101,943</u>	<u>4,310,747.10</u>

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE NO PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS					TOTAL CHARGES (\$)
		SUPPLIED BY KPCO SOURCES		DEMAND (\$)	OTHER CHARGES (\$)		
		MWH	FUEL CHARGE (\$)				
LT-CAP	10,752	6,391	99,736.30	152,645.05	71,129.97	323,511.32	
DY-2F	69,583	76,164	1,359,951.28	0.00	1,483,909.48	2,843,860.76	
DY2NF	5,799	5,629	136,867.40	0.00	40,363.53	177,230.93	
ARS-EMERG	126	120	6,086.54	0.00	6,454.25	12,540.79	
CMP-UPR	0	0	0.00	46,048.25	0.00	46,048.25	
SPOT-ENG	89,418	82,178	2,523,645.40	0.00	887,992.54	3,411,637.94	
YR-F	2,011	1,326	21,011.88	0.00	38,475.98	59,487.86	
MO-F	33,931	27,185	438,670.22	452,087.06	450,616.54	1,341,373.82	
DY-F	24,259	28,096	689,314.82	0.00	387,033.72	1,076,348.54	
DY-NF	9,544	9,328	248,123.36	0.00	152,512.36	400,635.72	
HR-NF	7,721	8,575	203,396.89	0.00	59,979.18	263,376.07	
GENLOS	<u>110</u>	<u>541</u>	<u>13,641.37</u>	<u>0.00</u>	<u>(13,641.37)</u>	<u>0.00</u>	
	253,254	245,533	5,740,445.46	650,780.36	3,564,826.18	9,956,052.00	
AEP POOL SALES (PRIMARY/ECONOMY)	0	47,294	779,452.00	0.00	37,315.00	816,767.00	
INTERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	662	34,238.00	0.00	7,100.00	41,338.00	
BOOKOUTS/OPTIONS:	965,563	0	0.00	0.00	44,222,638.00	44,222,638.00	
TOTALS:	1,218,817	293,489	6,554,135.46	650,780.36	47,831,879.18	55,036,795.00	
KPCo's other costs incurred, (other than fuel from Account 151):						1,787,043.92	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						403,446.98	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,374,335.28	
Total (Other Charges):						<u>3,564,826.18</u>	

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	17,264	612,401.76	0.00	153,095.60	765,497.36
HR-2NF	1,789	137,847.21	95,799.80	6,486.69	240,133.70
ARS-EMERG	22	1,619.89	0.00	404.97	2,024.86
EXP-CONG	0	0.00	0.00	7,535.70	7,535.70
IMP-CONG	0	0.00	0.00	171,956.41	171,956.41
SPOT-ENG	55,574	2,299,501.76	0.00	574,876.03	2,874,377.79
DY-F	3,116	128,099.94	0.00	32,042.11	160,142.05
DY-NF	3,754	138,887.87	0.00	34,721.48	173,609.35
HR-NF	<u>2,568</u>	<u>98,366.81</u>	<u>0.00</u>	<u>24,591.75</u>	<u>122,958.56</u>
	84,087 ⁽¹⁾	3,416,725.24	95,799.80	1,005,710.74	4,518,235.78
AEP POOL PRIMARY PURCHASES:	13,997	156,598.00	0.00	24,229.00	180,827.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	784,013	0.00	0.00	34,733,922.00	34,733,922.00
TOTALS:	882,097	3,573,323.24	95,799.80	35,763,861.74	39,432,984.78

⁽¹⁾ ALLOCATED TO SYSTEM SALES:
ALLOCATED TO INTERNAL CUSTOMERS:

<u>MWH</u>	<u>Total Energy Charges</u>
83,811	4,249,644.48
276	172,791.50
<u>84,087</u>	<u>4,422,435.98</u>
0	143,194.51
0	175.50
<u>84,087</u>	<u>4,279,065.97</u>

LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:

LESS: REDUCTION TO PURCHASES PER CASE NO. 2000-00495-B

NET INCLUDABLE ENERGY CHARGES:

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE NO PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS					
		SUPPLIED BY KPCO SOURCES			DEMAND	OTHER CHARGES	TOTAL CHARGES
		MWH	FUEL CHARGE (\$)	(\$)			
LT-CAP	11,904	3,969	57,792.74	152,645.05	131,380.63	341,818.42	
DY-2F	82,619	73,714	1,367,647.17	0.00	2,183,940.70	3,551,587.87	
DY-2NF	5,598	4,516	121,286.05	0.00	55,914.26	177,200.31	
ARS-EMERG	186	170	8,704.33	0.00	10,143.41	18,847.74	
CMP-UPR	0	0	0.00	46,048.25	0.00	46,048.25	
SPOT-ENG	131,686	116,488	3,476,565.20	0.00	2,096,493.35	5,573,058.55	
YR-F	2,065	799	12,465.63	0.00	49,512.46	61,978.09	
MO-F	40,891	19,835	319,643.18	460,735.69	726,206.01	1,506,584.88	
DY-F	17,937	15,884	450,059.84	0.00	477,096.89	927,156.73	
DY-NF	11,688	8,573	202,479.31	0.00	257,083.19	459,562.50	
HR-NF	5,832	5,320	159,333.52	0.00	132,623.22	291,956.74	
GENLOS	184	337	11,170.19	0.00	(11,170.19)	0.00	
	310,590	249,605	6,187,147.16	659,428.99	6,109,223.93	12,955,800.08	
AEP POOL SALES (PRIMARY/ECONOMY)	0	96,077	1,564,132.00	0.00	81,378.00	1,645,510.00	
INTERRUPTIBLE BUY/THROUGH (EP AFF. CO./KY EL. STEEL)	0	387	22,906.00	0.00	4,776.00	27,682.00	
BOOKOUTS/OPTIONS:	773,454	0	0.00	0.00	34,245,338.00	34,245,338.00	
TOTALS:	1,084,044	346,069	7,774,185.16	659,428.99	40,440,715.93	48,874,330.08	
KPCo's other costs incurred, (other than fuel from Account 151):						1,820,493.04	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						1,476,144.81	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						2,812,586.08	
Total (Other Charges):						6,109,223.93	

PURCHASES

BILLING COMPONENTS

TRANSACTION TYPE	MWH	FUEL	DEMAND	OTHER	TOTAL
		CHARGE (\$)	(\$)	CHARGES (\$)	CHARGES (\$)
DY-2F	12,464	375,962.10	0.00	93,986.12	469,948.22
HR-2NF	105	8,844.43	95,799.80	8,209.94	112,854.17
ARS-EMERG	2	369.93	0.00	92.57	462.50
EXP-CONG	0	0.00	0.00	8,329.38	8,329.38
IMP-CONG	0	0.00	0.00	384,428.95	384,428.95
SPOT-ENG	57,472	1,967,468.49	0.00	491,866.36	2,459,334.85
DY-F	1,360	47,639.04	0.00	11,909.60	59,548.64
DY-NF	752	33,007.36	0.00	8,251.84	41,259.20
HR-NF	<u>1,600</u>	<u>65,611.57</u>	<u>0.00</u>	<u>16,402.90</u>	<u>82,014.47</u>
	73,755 ⁽¹⁾	2,498,902.92	95,799.80	1,023,477.66	3,618,180.38
AEP POOL PRIMARY PURCHASES:	14,160	182,441.00	0.00	48,789.00	231,230.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	650,763	0.00	0.00	27,629,728.00	27,629,728.00
TOTALS:	738,678	2,681,343.92	95,799.80	28,701,994.66	31,479,138.38

	MWH	Total Energy Charges
⁽¹⁾ ALLOCATED TO SYSTEM SALES:	72,473	3,154,041.49
ALLOCATED TO INTERNAL CUSTOMERS:	1,282	368,339.09
	<u>73,755</u>	<u>3,522,380.58</u>
LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:	0	335,945.05
NET INCLUDABLE ENERGY CHARGES:	<u>73,755</u>	<u>3,186,435.53</u>

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS					TOTAL CHARGES (\$)
		SUPPLIED BY KPCO SOURCES		DEMAND (\$)	OTHER CHARGES (\$)		
		MWH	FUEL CHARGE (\$)				
LT-CAP	11,504	6,480	104,725.35	152,645.05	78,092.28	335,462.68	
DY-2F	37,036	34,891	627,009.50	0.00	888,948.05	1,515,957.55	
DY-2NF	0	34	786.14	0.00	738.14	1,524.28	
ARS-EMERG	159	146	5,702.36	0.00	10,177.89	15,880.25	
CMP-UPR	0	0	0.00	46,048.25	0.00	46,048.25	
SPOT-ENG	132,433	102,900	2,859,121.90	0.00	2,733,281.02	5,592,402.92	
YR-F	1,826	985	16,355.44	0.00	37,371.47	53,726.91	
MO-F	37,816	25,731	432,799.36	383,205.72	543,296.46	1,359,301.54	
DY-F	2,320	2,309	46,829.71	0.00	56,293.25	103,122.96	
DY-NF	15,442	13,577	264,899.27	0.00	373,321.23	638,220.50	
HR-NF	6,904	5,692	151,799.12	0.00	166,251.02	318,050.14	
GENLOS	<u>288</u>	<u>354</u>	<u>6,062.42</u>	<u>0.00</u>	<u>2,267.73</u>	<u>8,330.15</u>	
	245,728	193,099	4,516,090.57	581,899.02	4,890,038.54	9,988,028.13	
AEP POOL SALES (PRIMARY/ECONOMY)	0	163,705	2,736,491.00	0.00	199,723.00	2,936,214.00	
TERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	36	1,631.00	0.00	421.00	2,052.00	
BOOKOUTS/OPTIONS:	635,758	0	0.00	0.00	27,605,803.00	27,605,803.00	
TOTALS:	881,486	356,840	7,254,212.57	581,899.02	32,695,985.54	40,532,097.13	
KPCo's other costs incurred, (other than fuel from Account 151):						1,421,277.36	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						1,417,202.23	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						2,051,558.95	
Total (Other Charges):						<u>4,890,038.54</u>	

PURCHASES

BILLING COMPONENTS

TRANSACTION TYPE	MWH	FUEL CHARGE	DEMAND	OTHER CHARGES	TOTAL CHARGES
		(\$)	(\$)	(\$)	(\$)
DY-2F	7,624	223,992.88	0.00	55,989.92	279,982.80
HR-2NF	18	1,465.74	95,799.80	1,466.10	98,731.64
ARS-EMERG	49	3,629.32	0.00	907.34	4,536.66
EXP-CONG	0	0.00	0.00	(2,525.28)	(2,525.28)
IMP-CONG	0	0.00	0.00	507,232.43	507,232.43
SPOT-ENG	22,428	667,533.42	0.00	166,882.98	834,416.40
DY-F	1,712	59,789.12	0.00	14,948.32	74,737.44
DY-NF	1,248	53,173.12	0.00	13,293.12	66,466.24
HR-NF	<u>1,127</u>	<u>40,254.77</u>	<u>0.00</u>	<u>10,063.77</u>	<u>50,318.54</u>
	34,206 ⁽¹⁾	1,049,838.37	95,799.80	768,258.70	1,913,896.87
AEP POOL PRIMARY PURCHASES:	49,652	582,287.00	0.00	112,727.00	695,014.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	567,305	0.00	0.00	24,318,857.00	24,318,857.00
TOTALS:	651,163	1,632,125.37	95,799.80	25,199,842.70	26,927,767.87

	MWH	Total Energy Charges
⁽¹⁾ ALLOCATED TO SYSTEM SALES:	32,690	1,365,662.66
ALLOCATED TO INTERNAL CUSTOMERS:	1,516	452,434.41
	<u>34,206</u>	<u>1,818,097.07</u>
LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:	0	442,257.13
NET INCLUDABLE ENERGY CHARGES:	<u>34,206</u>	<u>1,375,839.94</u>

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE NO PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS					TOTAL CHARGES (\$)
		SUPPLIED BY KPCO SOURCES		DEMAND (\$)	OTHER CHARGES (\$)		
		MWH	FUEL CHARGE (\$)				
LT-CAP	11,657	10,893	156,357.26	152,645.05	28,119.78	337,122.09	
DY-2F	48,545	39,036	610,164.60	0.00	1,216,521.79	1,826,686.39	
DY-2NF	0	41	808.12	0.00	769.16	1,577.28	
ARS-EMERG	142	130	5,658.48	0.00	8,786.94	14,445.42	
CMP-UPR	0	0	0.00	46,048.25	0.00	46,048.25	
SPOT-ENG	128,074	68,449	1,636,444.15	0.00	2,874,841.88	4,511,286.03	
YR-F	1,809	1,606	23,322.70	0.00	29,414.40	52,737.10	
MO-F	38,628	34,351	523,592.65	385,672.83	484,599.01	1,393,864.49	
DY-F	1,046	694	13,654.34	0.00	28,609.08	42,263.42	
DY-NF	14,880	10,097	171,528.41	0.00	410,172.16	581,700.57	
HR-NF	5,043	2,685	67,187.97	0.00	141,865.48	209,053.45	
GENLOS	<u>0</u>	<u>44</u>	<u>728.50</u>	<u>0.00</u>	<u>(728.50)</u>	<u>0.00</u>	
	249,824	168,026	3,209,447.18	584,366.13	5,222,971.18	9,016,784.49	
AEP POOL SALES (PRIMARY/ECONOMY)	0	23,234	413,378.00	0.00	34,270.00	447,648.00	
INTERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	0	0.00	0.00	0.00	0.00	
BOOKOUTS/OPTIONS:	571,559	0	0.00	0.00	24,784,382.00	24,784,382.00	
TOTALS:	821,383	191,260	3,622,825.18	584,366.13	30,041,623.18	34,248,814.49	
KPCo's other costs incurred, (other than fuel from Account 151):						1,192,551.77	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						2,433,051.63	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,597,367.78	
Total (Other Charges):						<u>5,222,971.18</u>	

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	5,648	179,386.24	0.00	44,840.80	224,227.04
HR2NF	1,108	68,344.03	95,799.80	4,994.78	169,138.61
EXP-CONG	0	0.00	0.00	27,533.91	27,533.91
IMP-CONG	0	0.00	0.00	856,663.12	856,663.12
SPOT-ENG	22,994	889,331.66	0.00	222,332.51	1,111,664.17
DY-F	1,127	61,175.25	0.00	15,294.15	76,469.40
DY-NF	4,293	228,580.89	0.00	57,146.09	285,726.98
HR-NF	<u>1,065</u>	<u>47,659.44</u>	<u>0.00</u>	<u>11,914.87</u>	<u>59,574.31</u>
	36,235 ⁽¹⁾	1,474,477.51	95,799.80	1,240,720.23	2,810,997.54
AEP POOL PRIMARY PURCHASES:	27,444	340,098.00	0.00	47,094.00	387,192.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	548,176	0.00	0.00	24,337,461.00	24,337,461.00
TOTALS:	611,855	1,814,575.51	95,799.80	25,625,275.23	27,535,650.54

⁽¹⁾ ALLOCATED TO SYSTEM SALES:
ALLOCATED TO INTERNAL CUSTOMERS:

LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:
NET INCLUDABLE ENERGY CHARGES:

<u>MWH</u>	<u>Total Energy Charges</u>
34,462	1,915,436.06
1,773	799,761.68
<u>36,235</u>	<u>2,715,197.74</u>
0	762,604.91
<u>36,235</u>	<u>1,952,592.83</u>

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE NO PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

KENTUCKY POWER COMPANY
POWER TRANSACTION SCHEDULE
MONTH ENDED: JUNE 2005

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS					TOTAL CHARGES (\$)
		SUPPLIED BY KPCO SOURCES			DEMAND (\$)	OTHER CHARGES (\$)	
		MWH	FUEL CHARGE (\$)				
LT-CAP	11,235	12,904	208,067.03	152,645.05	(29,729.58)	330,982.50	
RESCAP	0	0	0.00	7,254.41	0.00	7,254.41	
DY-2F	47,686	44,299	792,031.22	0.00	1,178,842.29	1,970,873.51	
DY2NF	0	28	801.61	0.00	623.03	1,424.64	
ARS-EMERG	44	31	2,210.24	0.00	2,168.21	4,378.45	
CMP-UPR	0	0	0.00	46,048.25	0.00	46,048.25	
SPOT-ENG	138,189	101,169	2,549,341.23	0.00	3,215,276.52	5,764,617.75	
YR-F	1,885	2,007	33,170.03	0.00	22,550.97	55,721.00	
MO-F	32,948	32,238	537,851.06	355,670.27	335,556.33	1,229,077.66	
DY-F	1,704	2,275	41,916.12	0.00	46,616.14	88,532.26	
DY-NF	14,123	14,296	256,628.49	0.00	308,516.14	565,144.63	
HR-NF	4,084	2,818	76,088.31	0.00	134,362.09	210,450.40	
GENLOS	<u>51</u>	<u>95</u>	<u>1,738.52</u>	<u>0.00</u>	<u>(1,738.52)</u>	<u>0.00</u>	
	251,949	212,160	4,444,947.86 ⁽¹⁾	561,617.98	5,267,939.62	10,274,505.46	
AEP POOL SALES (PRIMARY/ECONOMY)	0	54,973	1,037,285.00	0.00	80,646.00	1,117,931.00	
INTERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	311	20,950.00	0.00	5,211.00	26,161.00	
BOOKOUTS/OPTIONS:	555,408	0	0.00	0.00	25,162,692.00	25,162,692.00	
TOTALS:	807,357	267,444	5,503,182.86	561,617.98	30,516,488.62	36,581,289.46	
KPCo's other costs incurred, (other than fuel from Account 151):						1,763,483.01	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						1,499,196.22	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						2,005,260.39	
Total (Other Charges):						<u>5,267,939.62</u>	

⁽¹⁾ Includes (\$54,896) adjustment for chemicals carried over to Other Charges.

Kentucky Power Company

REQUEST

Please provide Kentucky Power's response to the Commission's First Data Request, Question 8c, page 1 through 54 in an electronic format. Please also include the type of software with which the study was prepared (ex. EXCEL 97).

RESPONSE

Please see the enclosed CD for the requested Excel spreadsheets. Pages 38 and 39 are not available in electronic format other than the Adobe PDF file provided in the Company's response to Commission Staff -1st Set, Request No. 8-c.

WITNESS David M. Roush

Kentucky Power Company

REQUEST

With respect to Kentucky Power's response to the Commission's First Data Request, Question 8c, page 2 of 54:

- a. Please provide all calculations, assumptions, and workpapers used to develop the Storage Water Heating rates.
- b. Please provide a reference to the figures in the Cost of Service Study that were used as a basis for developing the Storage Water Heating rates.
- c. Please provide all calculations, assumptions, and workpapers used to develop the RS-LM-TOD rates.
- d. Please provide a reference to the figures in the Cost of Service Study that were used as a basis for developing the RS-LM-TOD rates.
- e. Please provide all calculations, assumptions, and workpapers used to develop the RS-TOD rates.
- f. Please provide a reference to the figures in the Cost of Service Study that were used as a basis for developing the RS-TOD rates.
- g. Please provide all calculations, assumptions, and workpapers used to develop the SGS-LM-TOD rates.
- h. Please provide a reference to the figures in the Cost of Service Study that were used as a basis for developing the SGS-LM-TOD rates.

RESPONSE

(a) through (h) Please see the Company's response to Commission Staff-1st Set, Request No. 8-c, pages 8 through 13, and the Company's Application filing, Volume 3, Direct Testimony of Larry C. Foust, Exhibit LCF-1. Page 10 of Exhibit LCF-1 shows the required rate revenue which is the basis for the rate design.

WITNESS David M. Roush

Kentucky Power Company

REQUEST

With respect to Kentucky Power's response to the Commission's First Data Request, Question 8c, page 3 of 54:

- a. Please provide all calculations, assumptions, and workpapers used to develop the MGS-LM-TOD rates.
- b. Please provide a reference to the figures in the Cost of Service Study that were used as a basis for developing the MGS-LM-TOD rates.
- c. Please provide all calculations, assumptions, and workpapers used to develop the MGS-TOD rates.
- d. Please provide a reference to the figures in the Cost of Service Study that were used as a basis for developing the MGS-TOD rates.
- e. Please provide all calculations, assumptions, and workpapers used to develop the LGS-LM-TOD rates.
- f. Please provide a reference to the figures in the Cost of Service Study that were used as a basis for developing the LGS-LM-TOD rates.

RESPONSE

(a) through (f) Please see the Company's response to Commission Staff-1st Set, Request No. 8-c, pages 14 through 26, and the Company's Application filing, Volume 3, Direct Testimony of Larry C. Foust, Exhibit LCF-1. Page 10 of Exhibit LCF-1 shows the required rate revenue which is the basis for the rate design.

WITNESS **David M. Roush**

Kentucky Power Company

REQUEST

With respect to Kentucky Power's response to the Commission's First Data Request, Question 8c, page 8 of 54:

- a. Please provide all calculations, assumptions, and workpapers used to develop the "Total Secondary Energy Charge."
- b. Please provide a reference to the figures in the Cost of Service Study that were used as a basis for developing the "Total Secondary Energy Charge."
- c. Please provide all calculations, assumptions, and workpapers used to develop the "Fixed Cost Adder."
- d. Please provide a reference to the figures in the Cost of Service Study that were used as a basis for developing the "Fixed Cost Adder."

RESPONSE

(a) and (b) Please see the Company's response to Commission Staff-1st Set, Request No. 8-c, page 8, and the Company's Application filing, Volume 3, Direct Testimony of Larry C. Foust, Exhibit LCF-1. Page 10 of Exhibit LCF-1 shows the required rate revenue which is the basis for the rate design.

(c) and (d) There are no written calculations, assumptions, workpapers or figures in the cost of service study that were used to develop the fixed cost adder.

WITNESS **David M. Roush**

Kentucky Power Company

REQUEST

With respect to Kentucky Power's response to the Commission's First Data Request, Question 8c, page 12 of 54:

- a. Please provide all calculations, assumptions, and workpapers used to develop the Off-peak Energy Charge "Energy Revenue Requirement."
- b. Please provide a reference to the figures in the Cost of Service Study that were used as a basis for developing the Off-peak Energy Charge "Energy Revenue Requirement."
- c. Please provide all calculations, assumptions, and workpapers used to develop the Off-peak Energy Charge "Fixed Cost Adder."
- d. Please provide a reference to the figures in the Cost of Service Study that were used as a basis for developing the Off-peak Energy Charge "Fixed Cost Adder."

RESPONSE

(a) and (b) Please see the Company's response to Commission Staff-1st Set, Request No. 8-c, pages 11 and 12, and the Company's Application filing, Volume 3, Direct Testimony of Larry C. Foust, Exhibit LCF-1. Page 10 of Exhibit LCF-1 shows the required rate revenue which is the basis for the rate design.

(c) and (d) There are no written calculations, assumptions, workpapers or figures in the cost of service study that were used to develop the fixed cost adder.

WITNESS **David M. Roush**

Kentucky Power Company

REQUEST

With respect to Workpaper S-2, page 1 of 3, please provide the quarterly capitalization amounts and ratios for the past three years both including and excluding short-term debt. Also, please indicate the current contracted interest rate on short-term debt.

RESPONSE

Attached are the quarterly capitalization amounts and ratios for the past three years prepared on a GAAP basis, inclusive and exclusive of short-term debt. There is no current short-term debt balance and therefore no current contracted interest rate on short-term debt.

WITNESS Errol K. Wagner

Kentucky Power Company
Cost of Capital excluding Short-term Debt
Quarterly - September 30, 2002 through June 30, 2005

Excluding Short-term Debt

	30-Jun-05		31-Mar-05		31-Dec-04		30-Sep-04		30-Jun-04		31-Mar-04	
Long-term Debt including current maturities	487,716	57.3%	507,375	58.6%	508,310	58.9%	508,592	59.2%	507,841	59.4%	507,625	59.2%
Accounts Receivable Financing (1)	32,802	3.9%	29,914	3.5%	34,176	4.0%	27,990	3.3%	28,058	3.3%	28,403	3.3%
Common Equity	331,355	38.9%	328,238	37.9%	320,980	37.2%	321,972	37.5%	319,355	37.3%	321,624	37.5%
Total (2)	851,873	100.0%	865,527	100.0%	863,466	100.0%	858,554	100.0%	855,254	100.0%	857,652	100.0%
	31-Dec-03		30-Sep-03		30-Jun-03		31-Mar-03		31-Dec-02		30-Sep-02	
Long-term Debt including current maturities	487,602	58.4%	487,578	59.9%	487,555	59.9%	466,665	58.6%	466,632	58.8%	385,915	57.6%
Accounts Receivable Financing	30,263	3.6%	24,778	3.0%	25,218	3.1%	30,165	3.8%	29,407	3.7%	26,539	4.0%
Common Equity	317,138	38.0%	302,288	37.1%	300,528	37.0%	299,588	37.6%	298,018	37.5%	258,003	38.5%
Total	835,003	100.0%	814,644	100.0%	813,301	100.0%	796,418	100.0%	794,057	100.0%	670,457	100.0%

(1) Net of Allowance Account

(2) Data is from Quarterly 10-Q Financials based on GAAP Accounting standards.

Kentucky Power Company

REQUEST

With respect to Workpaper S-2, page 1 of 3, please provide copies of all workpapers (in both hard copy and electronic formats) used in developing the capital structure for the twelve months ending 6/30/2005.

RESPONSE

As it relates to Section V, Workpaper S-2, Page 1 of 3, Line No.'s 1, 2, and 4 are derived from Section V, Schedule 3, Line No. 3 (Per Book Balance). The unadjusted Long-term debt, Short-term debt, and Common Equity are stated values as of June 30, 2005 as presented within the SEC Form 10-Q, section H, page 11, Kentucky Power Company Condensed Balance Sheets Capitalization and Liabilities, June 30, 2005 and December 31, 2004. The electronic formats used in developing the capital structure for the twelve months ending 6/30/05 are attached to the Company's response to the KIUC 1st Set, Item No. 15.

WITNESS Errol K. Wagner

